COURTS ADMINISTRATION SERVICE

2006-2007

Departmental Performance Report

The Honourable Robert D. Nicholson
Minister of Justice and Attorney General of Canada

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SECTION I - OVERVIEW

Acting Chief Administrator's Message

I am pleased to present the *Performance Report* of the Courts Administration Service ("the Service") for the period ending March 31, 2007.

The purpose of this report is to explain to Canadians how the achievements of the Service make a difference in their lives. It also reports on the status of commitments made in the *Report on Plans and Priorities* for 2006–2007.

The Service pursues its mandate by providing support and services to the Federal Court of Appeal, the Federal Court, the Court Martial Appeal Court of Canada and the Tax Court of Canada. Its role is to facilitate access to these Courts by the public seeking judicial redress, and at the same time to safeguard the independence of the judiciary. To achieve these objectives, the Service works closely with the four Chief Justices in determining precisely what each Court requires, and at the same time in identifying areas where synergies may be explored in order to optimize our current level of resources.

The Service is focusing its efforts and resources on implementing new case management technology. The expansion of e-filing, including, in particular, income tax certificates, is a good example of our advances in this field. In addition, the relocation of our Ontario regional office enabled us to equip the courtrooms with the most up-to-date technology, making it easier for parties to transmit and analyze files. These projects are still in their infancy, but they will soon revolutionize access to legal services for all Canadians.

In addition to our technology-related projects, I note that we must increase our efforts and creativity in maintaining and attracting new talent. We have continued to work on succession planning, but this challenge is still far from being met.

I therefore wish to express my sincere appreciation to the Chief Justices, Judges and Prothonotaries for their support, to the staff of the Service for their continued commitment to excellence in service delivery, and to public officials from a number of provinces and territories.

R.P. Guenette

Management Representation Statement

I submit for tabling in Parliament, the *2006-2007 Departmental Performance Report* for the Courts Administration Service.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006-2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's approved Strategic Outcome and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Name: Raymond P. Guenette

Title: Acting Chief Administrator

Summary Information

Department's Reason for Existence

The role of the Courts Administration Service is to provide registry and administrative services to four courts of law: the Federal Court of Appeal, the Federal Court, the Court Martial Appeal Court of Canada and the Tax Court of Canada. These services permit individuals, companies, organizations and the Government of Canada to submit disputes and other matters to the Courts, and enable the Courts to hear and resolve the cases before them fairly, without delay and as efficiently as possible.

The Courts

The Courts served by the Service are superior courts of record. They were established by the Parliament of Canada pursuant to its authority under section 101 of the *Constitution Act, 1867*, to establish Courts "for the better Administration of the Laws of Canada".

The **Federal Court of Appeal** has jurisdiction to hear appeals of decisions of the Federal Court and the Tax Court of Canada and certain statutory appeals from federal administrative tribunals as stated in legislation. It also has exclusive jurisdiction to hear applications for judicial review of decisions of 14 federal boards, commissions and tribunals listed in section 28 of the *Federal Courts Act* (see http://laws.justice.gc.ca/en/F-7/index.html). Parties to a proceeding in the Federal Court of Appeal may be granted leave, or permission, to appeal the decision of the Federal Court of Appeal to the Supreme Court of Canada if the case involves a question of public importance. Pursuant to section 5(1) of the *Federal Courts Act*, the full judicial complement of the Federal Court of Appeal consists of the Chief Justice and twelve judges. On March 31, 2007, the Federal Court of Appeal consisted of the Chief Justice and nine judges, together with three supernumerary judges. For further information on the Federal Court of Appeal, please refer to http://www.fca-caf.gc.ca.

The **Federal Court** is a court of first instance. It has original, but not exclusive, jurisdiction over cases by and against the federal Crown (including aboriginal law claims), proceedings involving admiralty law and intellectual property law, and jurisdiction conferred by approximately 100 federal statutes. The Federal Court also has exclusive jurisdiction to hear national security proceedings and applications for judicial review of the decisions of all federal boards, commissions and tribunals other than those over which the Federal Court of Appeal has jurisdiction (see above). This jurisdiction includes, in particular, applications for judicial review of decisions of the Immigration and Refugee Board. Pursuant to section 5.1(1) of the *Federal Courts Act*, the full judicial complement of the Federal Court consists of the Chief Justice and thirty-two full-time judges. On March 31, 2007, the Federal Court consisted of the Chief

Justice and twenty-seven full-time judges, three supernumerary judges, five deputy judges and five prothonotaries. For further information about the Federal Court, please refer to http://www.fct-cf.gc.ca.

The main function of the **Court Martial Appeal Court of Canada** is to hear appeals from courts martial, which are military courts established under the *National Defence Act*, and which hear cases under the *Code of Service Discipline* found in Parts III and VII of that Act. Judges of the Federal Court of Appeal and the Federal Court, as well as incumbent trial and appellate judges of the provincial superior courts, are members of this Court. On March 31, 2007, the Court Martial Appeal Court of Canada consisted of a Chief Justice and sixty-one judges. For further information on the Court Martial Appeal Court of Canada, please refer to http://www.cmac-cacm.ca.

The Tax Court of Canada has exclusive, original jurisdiction to hear appeals and references under twelve different Acts of Parliament. Most of the appeals made to the Court relate to income tax, the goods and services tax, or employment insurance. While many appeals are subject to procedures similar to those of the Federal Court, appeals under what is known as the "informal procedure" are heard as informally and expeditiously as circumstances and considerations of fairness permit. Pursuant to section 4 (1) of the *Tax Court of Canada Act*, the Court consists of a Chief Justice, an Associate Chief Justice and up to twenty judges. On March 31, 2007, the Tax Court of Canada consisted of the Chief Justice, seventeen judges, five supernumerary judges and six deputy judges. For further information on the Tax Court of Canada, visit http://www.tcc-cci.gc.ca.

The Service is committed to providing the public with effective, timely and fair access, in either official language, to the litigation processes of the Courts, while enhancing judicial independence.

The Service is responsible for meeting the Courts' requirements and for ensuring that the public has access to the Courts and to their records. The specific functions of the Service include

- providing litigants and their counsel with services relating to court hearings;
- informing litigants of rules of practice, court directives and procedures;
- maintaining court records;
- processing documents filed by or issued to litigants, and recording all proceedings;
- serving as a depository to allow for the enforcement of decisions made by the Courts and federal administrative tribunals, such as the Canada Industrial Relations Board and the Canadian Human Rights Tribunal;

- providing judges, prothonotaries[1] and staff with a wide array of direct support services, including library services and appropriate facilities and security.

In order to facilitate the public's access to the Courts, the Service has offices in Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Alberta and British Columbia. In addition, registry services and courtrooms are provided through agreements with the governments of New Brunswick, Newfoundland and Labrador, Prince Edward Island, Saskatchewan, the Northwest Territories, the Yukon Territory and Nunavut.

Financial Resources

	2006-2007	
Planned Spending	**Total Authorities**	**Actual Spending**
$62.2M	$67M	$66.6M

Human Resources

	2006-2007	
Planned	**Actual**	**Difference**
655	606	49

[1] A prothonotary is a judicial officer of the Federal Court who is appointed by the Governor in Council pursuant to section 12 of the *Federal Courts Act* and who assists in the expeditious disposition of the Court's business. Prothonotaries are responsible for more than 75 percent of the Federal Court's proceedings under case management. For further information, please refer to Rules 50 and 51 of the *Federal Courts Rules* (see http://laws.justice.gc.ca/en/F-7/SOR-98-106/index.html.

Departmental Priorities

STATUS ON PERFORMANCE				
Strategic Outcome: The public has effective, timely and fair access, in either official language, to the litigation processes of the Federal Court of Appeal, the Federal Court, the Court Martial Appeal Court of Canada and the Tax Court of Canada.				
($ millions)	**Program Activity** ***-Expected Results***	**Performance Status**	**2006-2007**	
			Planned Spending	**Actual Spending**
Priority 1 Implementing a comprehensive, dynamic and fully integrated people management strategy which will support all employees in the efforts of consolidating the Service	**Registry Services** **Judicial Services** *The planned initiatives supporting this priority are expected to assist and sustain the efforts of consolidation in providing to all employees a work environment that fulfills their goals and aspirations.*	The Service completed physical co-location of the Ontario Regional Office which provides an integrated client service approach. Defined specific initiatives to pursue our succession planning strategy. This will include new developmental program and the establishment of competency profiles.	0.35	0.2
Priority 2 Promoting innovation and pursuing modernization of business practices and processes	**Registry Services** **Judicial Services** *The planned initiatives will allow the Service to provide registry and judicial services that are flexible and responsive, while ensuring the best value for public money.*	The Service has established and implemented a common informatics' platform that will allow the integration of various e-components including e-filing services and digital recording. Registry processes were reviewed including transmission and recording of documents using notably the scanning methodology.	5.5	2.5

Overall Performance

Operational Environment

During the last fiscal year, the Service focused particularly on establishing the operational framework for implementing new technologies in order to optimize the provision of our services and to apply these technologies consistently and universally to case management. To achieve this, we have initiated feasibility studies to evaluate the financial impacts on the Service and the ways in which each of these technologies could be better integrated.

Alongside our interest in investing in emerging technologies, we have identified concrete lines of action for succession planning. Thus, we are planning to implement a registry officer development program in order to recruit and retain our staff and facilitate external recruitment. The issue of retaining and developing our staff remains a major concern. The aging of the population and the dynamics that characterize the service at the four Courts raise significant challenges to the Service.

In addition, we have noted that the Service has an enviable reputation at the international level and is playing an active role in partnerships with countries such as Russia, Ukraine and China. A number of Chinese judges came to Canada for a six-week training session in order to learn about our registry procedures. However, our awareness activities on the national scale are more modest and will have to be expanded in the next few years in order to highlight the Service's role in the administration of justice.

Financial Context

The Service is entirely funded through yearly appropriations approved by Parliament. The Service also collects revenue through filing fees, fines and sales of copies of filed documentation, including copies of judgments and orders. These non-respendable revenues are deposited to the Government of Canada's Consolidated Revenue Fund.

At the request of the Chief Justice, four Federal Court prothonotaries were appointed to the Federal Court between 1999 and 2003. Furthermore, five Federal Court deputy judges have been appointed to the Federal Court since 2004. The Service did receive temporary funding in December 2006 for fiscal years 2006-2007 and 2007-2008 for these specific positions, but funding needs to be requested every year, even though the requirements are of an ongoing nature. This is very time-consuming for officials of the Service. The Service will continue to work with the Treasury Board Secretariat and other partners with a view to finding a permanent solution for funding these policy issues.

It should be noted that there are additional expenses that the Service has had to absorb over the years which has added to the financial stress for the organization. The Service has absorbed costs related to procurement savings in

the aftermath of the Government's Expenditure Review exercise that was conducted three years ago, as there were few actual procurement savings that could be realized for the items that are most significant to the Service (e.g., translation and court reports).

As recorded in the *2006–2007 Public Accounts of Canada*, the Service received $67M in funding from Parliament. The actual amount of funds spent in that year was $66.6M, resulting in a small lapse of $0.4M.

Context

A key aspect of the Service's planning and operating environment is that it has virtually no control over the forces affecting the number of cases it receives in each of the four Courts. For instance, the workload of the Federal Court is intrinsically related to the volume of refugee claimants that the Immigration Review Board (IRB) is handling. As well, any legislative amendments changing federal acts might at some point in time affect the workload of the Courts. The Supreme Court's recent decision in *Charkaoui* on issuing security certificates will have an impact on legal procedures and will possibly result in more appeals to our Courts, especially the Federal Court.

This unpredictable environment requires the Service to adjust rapidly to new demands and be fully aware of the legislative environment that will affect the workload for all the four courts. In that context, the Service has maintained working relationships with other federal entities (Citizenship and Immigration Canada (CIC), the Canadian Border Security Agency (CBSA) and the Immigration Refugee Board (IRB)), in order to provide a sound assessment of the future workload of the four courts. Working cooperatively with these entities will ensure the Service will be in a better position to grasp and assess external factors. However, in these relationships the key element is to maintain our judicial independence while at the same time taking a proactive approach in assessing potential impacts of current and future federal initiatives on the Service's ability to provide efficient service to the four Courts.

Modernizing Our Planning Approach

The Service is continuing its efforts in the development of integrated activity planning. The regional offices have begun a planning exercise based on the Service's strategic priorities. During the past year, the Service also reviewed the recommendations made as part of the Management Accountability Framework (MAF) evaluation. Several of the points raised by the Treasury Board Secretariat (TBS) have been implemented. We are still working on the Performance Management Framework, which will be finalized in the 2007-2008 fiscal year.

Embracing New Court Technology

The Service has worked on several aspects of its technology platform. For example, we have migrated to a common e-mail system, which will allow us to add new software and keep it up to date. Our major challenge lies with implementing a new case management system. This system will be on a platform shared by all the Courts and will be a primary source for implementation of our Performance Management Framework.

Risks, Challenges and Opportunities

The issue of recruitment and staff retention remains a primary concern for the Service. With the planned departure of 20% of our staff within the next three years, we will have to speed up recruitment and, very likely, cooperate with other departments to fill our vacant positions. Our further difficulty in recruiting human resources staff limits our ability to develop and implement a succession plan. In order to address this problem, additional funding has been requested to help the Service in implementing several initiatives flowing from the *Public Service Modernization Act* and especially the *Public Service Employment Act*.

It should be noted that the Service has exchanges with several other countries, notably China, Russia and Australia, as well as with the United Nations, in order to exchange expertise in the area of courts administration. This is normally done in collaboration with the office of the Commissioner of Federal Judicial Affairs, and the National Judicial Institute. Since many other countries are also reassessing their judicial systems and procedures, it is anticipated that the Service will increase its level of international activities.

Alignment with Government of Canada Outcomes

The Service's sole strategic outcome is as follows:

> The public has effective, timely and fair access, in either official language, to the litigation processes of the Federal Court of Appeal, the Federal Court, the Court Martial Appeal Court of Canada and the Tax Court of Canada.

Canada's Performance 2006 is divided into four key policy areas: economic, social, international, and government affairs. The Service's strategic outcome is aligned with the area of government affairs as it provides support to the Courts which, by their decisions, assist the machinery of government, while maintaining judicial independence.

SECTION II - ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Analysis by Program Activity

Strategic Outcome

The Courts Administration Service is committed to realizing the following strategic outcome:

The public has effective, timely and fair access, in either official language, to the litigation processes of the Federal Court of Appeal, the Federal Court, the Court Martial Appeal Court of Canada and the Tax Court of Canada.

Program Activity Architecture

The Service's Program Activity Architecture consists of three program activities – Registry Services, Judicial Services and Corporate Services.

Registry Services

These services provide the Courts with litigation processes support. This includes processing documents filed by or issued to litigants, attending court sittings, recording proceedings, providing information to litigants, preserving the records and information base required by the Courts and issuing legal instruments to enforce the Courts' decisions.

Financial Resources:

Planned Spending	Authorities	Actual Spending
$40.1M	$43.2M	$42.5M

Human Resources:

Planned (FTE)	Authorities	Difference
427	389	38

FTE – Full Time Equivalent

Judicial Services

These services provide judicial support to the judges and prothonotaries, as well as to executive officers, judicial assistants, library employees, revisers/jurilinguists, law clerks and other staff who provide direct support to the judiciary in fulfilling its responsibilities.

Financial Resources:

Planned Spending	Authorities	Actual Spending
$22.1M	$23.8M	$24.1M

Human Resources:

Planned (FTE)	Authorities	Difference
228	217	11

FTE – Full Time Equivalent

Corporate Services

Please refer to text in Section IV – Other Items of Interest.

Priority 1

Implementing a comprehensive, dynamic and fully integrated people management strategy which will support all employees in the efforts of consolidating the Service

Program Activity: Registry Services

Key Initiative: Relocation of Staff from the Lorne Building

Expected Results	**Results Achieved**
Improved employee well-being. - provide an adequate and suitable work environment	A proposal by PWGSC offering to move all the staff from the Lorne Building, 90 Elgin Street in Ottawa, to the Thomas D'Arcy McGee Building at 90 Sparks Street in Ottawa.
PWGSC is proposing to move all the staff of the Service currently working at 90 Elgin Street in Ottawa to the premises at 90 Sparks Street in Ottawa, which will be fitted out for the registry of the Federal Court of Appeal and the Federal Court by summer 2008.	

Key Initiative: Harmonization of Registries

Expected Results	**Results Achieved**
Increased citizen-focused services. - enhance the use of our resources and provide a common access point for the public	Completion of the co-location initiative in Toronto. Increased capacity to serve clients of all four Courts in the Service's ten points of service across the country. Creation and staffing of formal Operational Training Division.
Co-location of Regional Offices was completed with the move of the Ontario Regional Office in 2006. The Service has made great advances in providing staff with tools, training and exchange opportunities with a view to ensuring that all registry staff are familiar with the rules, practices and procedures of the four Courts they support. An Operational Training Division was created and staffed, and now provides a variety of specialized training courses to staff across the country. Practice and procedures manuals have been reviewed and updated, and new reference materials developed, in order to further support and assist staff.	

Key Initiative: **Implementation of Outreach Activities**

Expected Results	Results Achieved
Increased visibility, awareness and understanding of the services provided by the Courts Administration Service. - heighten public awareness of judicial independence	Maintaining a positive and productive network with the judicial community and foreign delegations.
The Service continued its discussions and networking by means of various interdepartmental meetings and continues to maintain a forum of exchange with various foreign delegations which allows the Service to be known as a model of excellence in the administration of justice.	

Program Activity: **Judicial Services**

Key Initiative: **Review of Judicial Services**

Expected Results	Results Achieved
Increased efficiencies throughout the Service and lower operational costs. - allocate appropriate resources to requirements, and enhance fiscal accountability and service delivery	Significant reduction in translation and posting of court decisions. Negotiation of revised agreement including performance indicators with the Translation Bureau.
The Judicial Services Directorate undertook an in-depth analysis of its workflow in order to optimize the translation to posting process of court decisions. Aside from this internal review, the Service also negotiated a new agreement with the Translation bureau that will ensure specific delivery deadlines for our translation requests.	

Priority 2

Promoting innovation and pursuing modernization of business practices and processes

Program Activity: Registry Services

Key Initiative: Electronic Filing

Expected Results	**Results Achieved**
Modernization of operational activities to reflect best practices and improve procedures. - ensure our current registry operations can accommodate more cases involving e-filing	350 e-filings received for intellectual property cases. Activities undertaken to expand the project scope in order to include other areas of the court's jurisdiction such as immigration and admiralty.
The Canada Revenue Agency has proposed the expansion of the e-filing project to allow for electronic filing of income tax/GST certificates. Since early 2006, representatives from CRA have worked closely with the e-filing project team to explore the legal and technical issues related to this proposal. This expansion is a direct result of the small but measured success we have enjoyed with the intellectual property pilot project. It is also the result of a strong partnership with Lexis Nexis, a service provider which facilitates connection between users.	

Key Initiative: Digital Recording

Expected Results	**Results Achieved**
Modernization of operational activities to reflect best practices and improve procedures. - complete a feasibility study, purchase the hardware and software and implement the system in the courtrooms	Business plan for digital recording on track.
Digital recording is a component of the Case Management System for which the Service is proposing to seek funding from the Treasury Board (TB). A detailed business case will be developed and reviewed to ensure funding requirements for digital recording form part of an overall IT integration strategy.	

Key Initiative: **Electronic Courtrooms**

Expected Results	Results Achieved
Modernization of operational activities to reflect best practices and improve procedures. - improve service delivery and accessibility to court proceedings	A business plan combining various e-components in development.
The electronic courtroom is the culmination of several initiatives such as wireless display of evidence, Internet access in the courtroom, document management software and digital recording. The latter is a component of the Case Management System. A detailed business case will be developed and reviewed to ensure funding requirements of digital recording form part of an overall IT integration strategy.	

Key Initiative: **New Case Management System**

Expected Results	Results Achieved
Greater efficiency throughout the Service and decrease in operational costs. - provide the registries with the tools required to better serve the public as well as harmonize internal processes through a new case management system	Upgrade of several components to allow for the disposal of old technology supporting the existing system. Functional and detailed design established for phase 1.
The server platform is aging and unsupported, new functions cannot be added, problems and downtime are more frequent and unacceptable. The software has been upgraded to run from a web browser. In phase 1, the existing systems will maintain the functions currently provided to the four Courts on an upgraded technical platform to provide greater stability and a suitable environment for future development. The Case Management System is the heart of interdependent components such as e-filing, digital recording, e-faxing, and Judgment and Orders. This entire integrated solution is a major component of the modernization initiative.	

Key Initiative: **Modernization of Practices and Procedures**

Expected Results	Results Achieved
Modernization of operational activities to reflect best practices and improve procedures. - deliver our services to citizens more effectively	Improvements made in the areas of scanning and electronic transmittal and receipt of documents, review of fees and fee structures, transmission of decisions to parties, and harmonization of practices across courts.
Several immediate changes have been made to existing practices and procedures, and pilot projects, such as document scanning and filing date uniformity for e-filing and scanned documents, have been implemented in other areas further to the review of current workflows. Through the implementation of initiatives such as electronic filing and the design of a new Case Management System, opportunities for immediate efficiencies and service improvements have been identified and acted upon.	

Program Activity: **Judicial Services**

Key Initiative: **Construction of the Pierre Elliott Trudeau Judicial Building (PETJB)**

Expected Results	Results Achieved
Increased efficiencies throughout the Service and lower operational costs. -meet long-term accommodation requirements of the Courts; reduce operating costs, improve visibility and simplify security requirements	No longer identified as a key initiative.
The Service has identified other means to maximize synergy and efficiencies without the construction of a new building. The Service has reached an agreement with PWGSC to secure additional space in the Thomas D'Arcy McGee Building to accommodate employees currently located in the Lorne Building. The last component will be to relocate judges and registry staff of the Tax Court of Canada and Corporate Services in the Thomas D'Arcy McGee building. This will complete our accommodation strategy for Ottawa.	

Key Initiative: **Toronto Federal Judicial Centre Project (FJC)**

Expected Results	Results Achieved
Increased efficiencies throughout the Service, including improved security of judges and staff and greater capacity to meet case management workload. - reduce operational costs and offer to the public a single access and information point	All Toronto Local Office staff now located in one location to offer a single access and information point for the public. Project completed on time and under budget.
The planning and implementation of the move of the Toronto registries, which were located at 200 King Street West and 330 University Avenue, were completed successfully. The registries moved to the new premises at 180 Queen Street West in Toronto. A greater harmonization of registry services to the public has resulted in a more transparent and efficient delivery of services to the clients.	

Key Initiative: **Vancouver Federal Judicial Centre Project (FJC)**

Expected Results	Results Achieved
Space optimization of tenant requirements to maximize utilization. - optimize space to reduce real estate costs	Space optimization study completed.
As a result of the review of registry services to the public as well as to the four Courts, the Service has identified surplus space requirements to Public Works and Government Services Canada (PWGSC).	

SECTION III - SUPPLEMENTARY INFORMATION

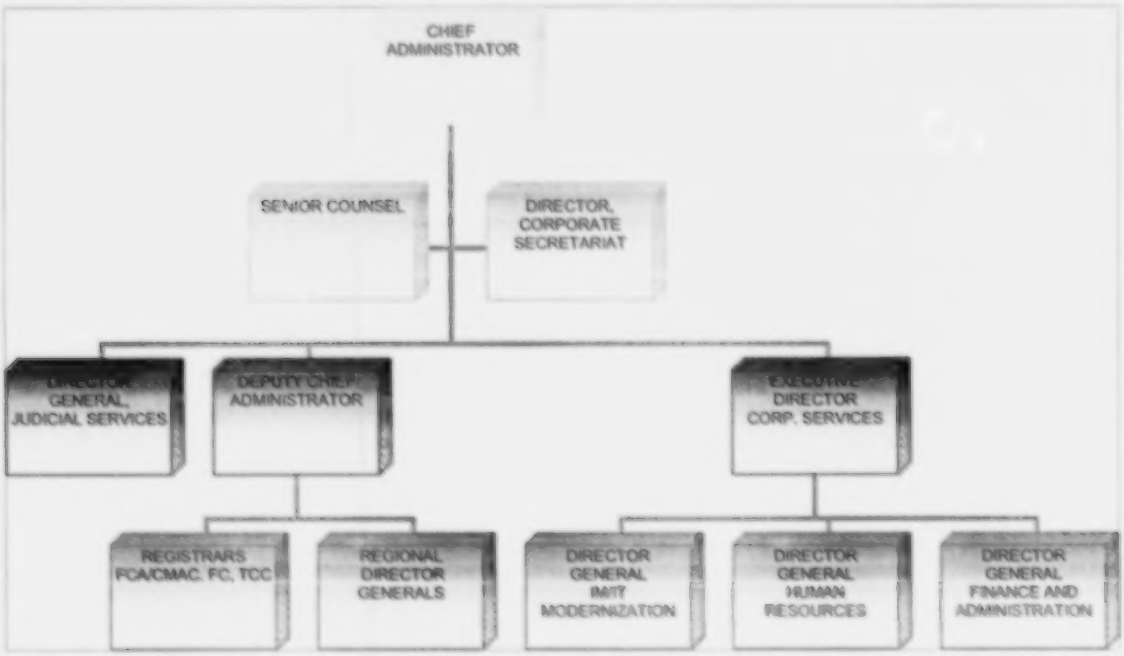
Organizational Information

Our mandate is to

- ensure the efficient provision of service to the four Courts;
- enhance the judicial independence of the Courts by placing them at arm's length from the Government of Canada; and
- enhance accountability for the use of public money.

Organizational Structure

In fall 2006, the Service announced important organizational changes. Notably, the regional and registry operations were united under the Deputy Chief Administrator's position, and Corporate Services is now under the responsibility of an executive director. This organizational structure reflects the Service's Program Activities Architecture.



FCA/CMAC	Federal Court of Appeal / Court Martial Appeal Court of Canada
FC	Federal Court
TCC	Tax Court of Canada

The Chief Administrator of the Courts Administration Service is accountable to Parliament through the Minister of Justice.

The powers, duties and functions of the Chief Administrator are set out in the *Courts Administration Service Act* as follows:

- the Chief Administrator has all the powers necessary for the overall effective and efficient management and administration of all court services, including court facilities and libraries and corporate services and staffing (subsection 7(2)); and
- the Chief Administrator, in consultation with the Chief Justices of the Federal Court of Appeal, the Federal Court, the Court Martial Appeal Court and the Tax Court of Canada, shall establish and maintain the registry or registries for those courts in any organizational form or forms and prepare budgetary submissions for the requirements of those courts and for the related needs of the Service (subsection 7(3)).

The *Courts Administration Service Act* also places two specific restrictions on the powers of the Chief Administrator:

- the powers of the Chief Administrator do not extend to any matter assigned by law to the judiciary (subsection 7(4)); and
- a Chief Justice may issue binding directions in writing to the Chief Administrator with respect to any matter within the Chief Administrator's authority (subsection 9(1)).

Table 1: Comparison of Planned to Actual Spending

(including Full-time Equivalents)

($ millions)	2004–05 Actual[1]	2005–06 Actual[2]	2006–07 Main Estimates[3]	2006–07 Planned Spending[4]	2006–07 Total Authorities[5]	2006–07 Total Actuals[6]
Provide Registry Services	35.6	38.4	40.3	40.1	43.2	42.5
Provide Judicial Services	19.8	21.2	22.2	22.1	23.8	24.1
Total	**55.4**	**59.6**	**62.5**	**62.2**	**67.0**	**66.6**
Less: Non-respendable revenue	(5.4)	(5.0)	N/A	(6.9)	N/A	(4.5)
Plus: Cost of services received without charge	19.2	19.6	N/A	19.9	N/A	23.8
Total Departmental Spending	69.2	74.2	62.5	75.2	N/A	85.9
Full-time Equivalents	562	567	N/A	655	N/A	606 [7]

Notes:

(1) Source 2004-05 DPR.

(2) Source 2005-06 DPR.

(3 & 4) Source 2006-07 RPP. The variance with the Main Estimates reflects the reductions to the department's planned spending as a result of the Expenditure Review Committee (ERC) procurement savings exercise.

(5) Source: 2006-2007 Public Accounts.

(6) Source: 2006-2007 Public Accounts. Total includes contributions to employee benefits plans. Reference should be made to the discussion under "Table 3: Voted and Statutory Items" for further information.

(7) The Courts Administration Service (CAS) has staffed a number of vacant positions this fiscal year. However, it is still short of its targets as CAS lacks the funding to fill all of its required positions.

Table 2: Resources by Program Activity

($ millions)

2006–2007				
	Budgetary			
Program Activity	Operating	Total: Gross Budgetary Expenditures	Total: Net Budgetary Expenditures	Total
Provide Registry Services				
Main Estimates	40.3	40.3	40.3	40.3
Planned Spending	40.1	40.1	40.1	40.1
Total Authorities	43.2	43.2	43.2	43.2
Actual Spending	42.5	42.5	42.5	42.5
Provide Judicial Services				
Main Estimates	22.2	22.2	22.2	22.2
Planned Spending	22.1	22.1	22.1	22.1
Total Authorities	23.8	23.8	23.8	23.8
Actual Spending	24.1	24.1	24.1	24.1

Note: As per the *Guide to the Preparation of Part III of the 2006-2007 Estimates – Reports on Plans and Priorities and Departmental Performance Reports*, some columns have been deleted because they are not applicable.

Table 3: Voted and Statutory Items

($ millions)

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006–2007			
		Main Estimates	Planned Spending	Total Authorities	Total Actual
30	Operating expenditures	55.9	55.6	60.9	60.5
(S)	Contributions to employee benefit plans	6.6	6.6	6.1	6.1
	Total	**62.5**	**62.2**	**67**	**66.6**

A) The $4.5M variance between the main Estimate and Total Authorities are due to:

Reductions caused by the Expenditure Review Committee (ERC) procurement savings exercise	(0.3)
Operating budget carry forward	2.3
Salary funding for prothonotaries, deputy judges fees and other items	2.6
Compensation for collective agreements	0.4
Employee Benefit Plan adjustment	(0.5)
Total variance increase	4.5

B) As can be seen in the table above, the Service ended the year with a Public Accounts lapse of just $0.4M, or 0.6% (the difference between total authorities and total actual). The Service was very careful with its finances, but the financial situation is extremely tight in the organization. The Service continues to seek a permanent solution to funding prothonotaries' salaries and deputy judges' fees.

Table 4: Services Received Without Charge

($ millions)	2006–2007 Actual Spending
Accommodation provided by Public Works and Government Services Canada (PWGSC)	20.7
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (TBS) (excluding revolving funds); employer's contribution to employees' insured benefits plans and associated expenditures paid by TBS	3.0
Salary and associated expenditures of legal services provided by the Department of Justice Canada	0.1
Total 2006–2007 Services received without charge	**23.8**

Table 5: Sources of Respendable and Non-Respendable Revenue

Non-Respendable Revenue

($ millions)	Actual 2004-05[1]	Actual 2005-06[2]	2006-2007 Planned Revenue[3]	2006-2007 Actual
Provide Registry Services				
Refund of previous years' expenditures	0.0	0.1	0.1	0.1
Services fees	1.8	1.7	1.4	1.7
Court fines	0.2	0.0	2.4	0.0
Miscellaneous non-tax revenues	3.3	3.2	3.0	2.7
Total Non-Respendable Revenue	**5.4**	**5.0**	**6.9**	**4.5**

Notes:

(1) From 2004-05 DPR.
(2) From 2005-06 DPR.
(3) From 2006-07 RPP. It should be noted that previous to 2004-2005, court fines were substantial. However, the fines in the last 3 years have now dropped to inconsequential amounts. CAS has no control over court fines, as they are imposed by judicial officers. Predicting these fines is entirely dependent on the cases being brought before the judiciary.

Numbers in columns may not add up due to rounding.
As per the *Guide for the Preparation of 2006-2007 DPR*, some columns have been deleted because they are not applicable.

Table 6: Resource Requirements by Branch

($ millions)

2006–07		
Branch or Sector	**Planned Spending[1]**	**Actual Spending**
Federal Court of Appeal and Court Martial Appeal Court of Canada Registry Operations		
Provide Registry Services	1.1	1.2
Provide Judicial Services	-	-
Federal Court Registry Operations		
Provide Registry Services	4.8	5.0
Provide Judicial Services	-	-
Tax Court of Canada Registry Operations		
Provide Registry Services	2.0	2.0
Provide Judicial Services	-	-
Quebec and Atlantic Region		
Provide Registry Services	4.9	5.8
Provide Judicial Services	-	-
Ontario Region		
Provide Registry Services	5.1	5.7
Provide Judicial Services	-	-
Western Region		
Provide Registry Services	4.4	4.5
Provide Judicial Services	-	-
Executive Offices[2]		
Provide Registry Services	-	-
Provide Judicial Services	3.7	4.0
Judicial Assistants		
Provide Registry Services	-	-
Provide Judicial Services	3.8	4.6
Law Clerk Program		
Provide Registry Services	-	-
Provide Judicial Services	3.0	3.6
Library		
Provide Registry Services	-	-
Provide Judicial Services	2.2	2.3
Office of the Chief Administrator[3]		
Provide Registry Services	1.5	1.6
Provide Judicial Services	0.8	0.8
Finance & Corporate Services, Chauffeurs & Court Attendants Services[4]		
Provide Registry Services	11.1	11.5
Provide Judicial Services	6.1	6.0

Human Resources		
Provide Registry Services	1.4	1.5
Provide Judicial Services	0.7	0.8
IM IT, Record Mgmt, Best Practices & Modernization		
Provide Registry Services	3.6	3.8
Provide Judicial Services	2.0	1.9
TOTAL	**62.2**	**66.6**[5]

(1) Planned Spending from 2006-07 RPP.

(2) Includes judges' offices, Office of the Director General of Judicial Services, as well as Revision.

(3) Includes Office of the Chief Administrator, Strategic Planning & Communications, and the Office of the Deputy Chief Administrator.

(4) Includes Office of the Director General of Finance & Corporate Services; Facilities; Telecommunications; Capital Projects; Security Services; Accounting Operations and Systems; Planning, Budgeting and Analysis; Material Management and Contracting; Administrative Services and Translation.

(5) The increase between the planned spending and the total spending is approximately 7.1% for all of CAS. See Table 3 for the main increases of authorities during the course of the fiscal year. The majority of the increases by Branch that were above this number were caused by the following factors. First, the estimates for 2006-07 were made in January 2006. The actual expenses occurred from April 2006 to March 2007. Due to some of the lower staffing levels in certain branches in early 2006, those branches were able to increase their levels more than others. Second, funding for increases in program integrity funding were targeted for certain branches. However, this was already taken into account when allocating percentages amongst the various sectors in January 2006. Third, certain collective bargaining agreements were concluded during the year, such as for the employees in the law clerk program.

Table 7: Details on Project Spending

Program Activity - Corporate Services

Projects	Project Phases
Electronic Services	Initial Planning and Identification (Initial phase in 2006-2007)
Toronto Federal Judicial Centre	Project Close-out

Supplementary information on project spending can be found at http://www.tbs-sct.gc.ca/rma/dpr2/06-07/index_e.asp.

Table 8: Financial Statements of Departments and Agencies (including Agents of Parliament)

FEDERAL COURT OF APPEAL
COUR D'APPEL FÉDÉRALE

FEDERAL COURT
COUR FÉDÉRALE

TAX COURT OF CANADA
COUR CANADIENNE DE L'IMPÔT

COURT MARTIAL APPEAL COURT OF CANADA
COUR D'APPEL DE LA COUR MARTIALE DU CANADA

Courts Administration Service

Financial Statements

(Unaudited)

For the year ending March 31, 2007

Courts Administration Service
Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007 and all information contained in this report rests with departmental management. These financial statements have been prepared by management in accordance with accounting standards issued by the Treasury Board of Canada Secretariat which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the department's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the department's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the department.

The financial statements of the department have not been audited.

Raymond P. Guenette
A/Chief Administrator

Gerry R. Montpetit
Executive Director, Corporate Services
Senior Financial Officer (SFO)

Date Signed: AUG 2 1 2007

Ottawa, Ontario

Courts Administration Service
Statement of Operations (Unaudited)
For the Year Ended March 31
(in dollars)

	2007			2006
	Provide Registry Services	Provide Judicial Services	Total	Total
EXPENSES				
Salaries & Employee Benefits	$ 29,551,651	$ 17,139,038	$ 46,690,689	$ 43,156,918
Accommodations (Note 9)	13,262,720	7,402,160	20,664,880	16,698,488
Professional & Special Services	7,416,431	3,162,918	10,579,349	9,752,060
Transportation & Telecommunications	2,537,005	1,391,462	3,928,467	3,611,559
Repairs & Maintenance	2,220,259	1,216,596	3,436,855	1,289,130
Materials & Supplies	441,269	1,737,080	2,178,349	2,047,577
Purchase of Machinery & Equipment	1,333,283	716,174	2,049,457	1,638,982
Miscellaneous	561,542	311,067	872,609	771,356
Rentals	351,529	179,442	530,971	478,221
Information	218,784	150,421	369,205	212,987
Amortization of Tangible Capital Assets (Note 5)	170,751	95,299	266,050	255,666
Total Expenses	**$ 58,065,224**	**$ 33,501,657**	**$ 91,566,881**	**$ 79,912,944**
REVENUES				
Employment Insurance Account Cost Recoveries (Note 2(d))	$ 1,772,512	$ 989,270	$ 2,761,782	$ 3,168,060
Filing Fees	1,495,690	0	1,495,690	1,513,008
Photocopies	192,739	33,966	226,705	233,610
Fines	4,200	0	4,200	8,000
Miscellaneous Revenues	1,255	683	1,938	1,230
Total Revenues	**$ 3,466,396**	**$ 1,023,919**	**$ 4,490,315**	**$ 4,923,908**
NET COST OF OPERATIONS	**$ 54,598,828**	**$ 32,477,738**	**$ 87,076,566**	**$ 74,989,036**

The accompanying notes form an integral part of these financial statements.

Courts Administration Service
Statement of Financial Position (Unaudited)
At March 31
(in dollars)

	2007	2006
ASSETS		
Financial Assets		
Accounts Receivable & Employee Advances (Note 4)	$ 3,801,827	$ 3,840,727
Non-Financial Assets		
Tangible Capital Assets (Note 5)	1,074,025	1,166,312
Prepaid Expenses	2,695	12,087
TOTAL	**$ 4,878,547**	**$ 5,019,126**
LIABILITIES		
Accounts Payable & Accrued Liabilities (Note 6)	$ 4,132,401	$ 5,172,369
Vacation Pay & Compensatory Leave	1,779,590	1,581,754
Deposit Accounts (Note 7)	13,959,945	9,182,818
Employee Severance Benefits (Note 8)	7,236,544	6,511,378
EQUITY OF CANADA	(22,229,933)	(17,429,193)
TOTAL	**$ 4,878,547**	**$ 5,019,126**

The accompanying notes form an integral part of these financial statements.

Courts Administration Service
Statement of Equity of Canada (Unaudited)
At March 31
(in dollars)

	2007	2006
Equity of Canada, Beginning of Year	**$ (17,429,193)**	**$ (16,091,574)**
Net Cost of Operations	(87,076,566)	(74,989,036)
Current Year Appropriations Used (Note 3)	66,621,410	59,649,562
Revenue not Available for Spending	(4,490,315)	(4,923,908)
Change in Net Position in the Consolidated Revenue Fund (Note 3(c))	(3,731,116)	(646,545)
Services Provided Without Charge By Other Government Departments (Note 9)	23,875,847	19,572,308
Equity of Canada, End of Year	**$ (22,229,933)**	**$ (17,429,193)**

The accompanying notes form an integral part of these financial statements.

Courts Administration Service
Statement of Cash Flows (Unaudited)
For the Year Ended March 31
(in dollars)

	2007	2006
OPERATING ACTIVITIES		
Net Cost of Operations	$ 87,076,566	$ 74,989,036
Non-Cash Items:		
Amortization of Tangible Capital Assets	(266,050)	(255,666)
Gain on Disposal of Tangible Capital Assets	1751	869
Loss on Disposal of Tangible Capital Assets	0	(8,433)
Services Provided Without Charge	(23,875,847)	(19,572,308)
Variations in Statement of Financial Position:		
Decrease in Accounts Receivable & Employee Advances	(38,900)	(692,323)
Increase/(decrease) in Prepaid Expenses	(9,392)	12,087
(Increase)/decrease in Accounts Payable & Accrued Liabilities	1,039,968	(703,100)
Increase in Vacation Pay & Compensatory Leave	(197,836)	(34,995)
(Increase)/decrease in Deposit Accounts	(4,777,127)	781,960
Increase in Employee Severance Benefits	(725,166)	(754,431)
Cash Used for Operating Activities	**$ 58,227,967**	**$ 53,762,696**
CAPITAL INVESTMENT ACTIVITIES		
Acquisitions of Tangible Capital Assets	$ 173,763	$ 326,083
Proceeds From Disposal of Capital Assets	(1,751)	(9,669)
Cash Used by Capital Investment Activities	**$ 172,012**	**$ 316,414**
Net cash provided by the Government of Canada	**($ 58,399,979)**	**($ 54,079,110)**

The accompanying notes form an integral part of these financial statements.

Courts Administration Service
Notes to the Financial Statements (Unaudited)

1. Authority and Objectives

The Courts Administration Service (CAS), which was established on July 2, 2003 by the *Courts Administration Service Act*, S.C. 2002, c. 8, is responsible for providing services to the Federal Court of Appeal, the Federal Court, the Court Martial Appeal Court of Canada and the Tax Court of Canada ("the Courts").

The role of the Courts Administration Service is to provide administrative services by ensuring that the public has effective, timely and fair access, in either official language, to the litigation processes of the Courts.

The Courts Administration Service consists of two service lines: to provide Registry Services and to provide Judicial Services.

Registry Services provide administrative support to the Courts while ensuring that judicial proceedings are conducted efficiently and appropriately in a manner that provides the public with guidance and advice on the Courts' practices and procedures.

Judicial Services provide judicial, legal and administrative support to the Courts, by means of, for example, judicial assistants, ushers, judicial administrators, law clerks and revisers who provide direct support to the judges in the discharge of their responsibilities.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting polices are as follows:

(a) **Parliamentary Appropriations** – The Courts Administration Service is solely financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Courts Administration Service do not parallel financial reporting according to Canadian generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) **Net Cash Provided by Government** – The Courts Administration Service operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the department is deposited to the CRF and all cash disbursements made by the department are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) **Changes in net position in the Consolidated Revenue Fund** is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-respendable revenue recorded by the department. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) **Revenues:**

- Revenues consist primarily of filing fees, fines and sales of copies of filed documentation, including copies of judgments and/or orders. All such revenue is non-respendable, meaning it cannot be spent by the Courts Administration Service and is deposited to the CRF.

- All revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

- **Employment Insurance (EI) Account of Canada:** At the end of each fiscal year, CAS determines the cost associated with the administration of employment insurance cases. The total cost allocated by CAS for handling EI cases are expended against Human Resources and Skills Development Canada (HRSDC), the department responsible for the EI account. As such, HRSDC would show an EI expense and the Courts Administration Service would show an equivalent, non-respendable revenue item. The purpose of this accounting exercise is to more accurately reflect the total cost of running the federal government's EI program and it is strictly internal to the government.

(e) **Expenses** – Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

- Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

(f) **Employee Future Benefits**

(i) **Pension benefits:** Eligible employees participate in the Public Service Pension Plan (*Pubic Service Superannuation Act)*, a multi-employer plan administered by the Government of Canada. The Courts Administration Service's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require the Courts Administration Service to make contributions for any actuarial deficiencies of the Plan.

(ii) **Severance benefits:** Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employee is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) **Accounts Receivable** – These are stated at amounts expected to be ultimately realized. A provision is made for receivables where recovery is considered uncertain.

(h) **Contingent Liabilities** – Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

The Courts Administration Service is not aware of any contingent liabilities as at March 31, 2007.

(i) **Foreign Currency Transactions** – Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in a foreign currency are translated using exchange rates in effect on March 31st.

(j) **Tangible Capital Assets** – All tangible capital assets having an initial cost of $5,000 or more are recorded at their acquisition cost.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the assets as follows:

Asset Class	Amortization period
Machinery & Equipment	10 years
Informatics Hardware	3 years
Informatics Software	4 years
Furniture & Fixtures	10 years
Motor Vehicles	10 years

(k) **Measurement Uncertainty** – The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Appropriations

The Courts Administration Services receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Courts Administration Service has different net results of operations for the year on a government funding basis than on an accruals accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used

	2007	2006
Net Cost of Operations	**$ 87,076,566**	**$ 74,989,036**
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Variations: Add / (Less)		
Services Provided Without Charge By Other Government Departments	(23,875,847)	(19,572,308)
Amortization of Tangible Capital Assets	(266,050)	(255,666)
Increase in Allowance for Vacation Pay and Compensatory Leave	(197,836)	(34,994)
Increase in Allowance for Bad Debt Expenses	(405)	(14,818)
Increase in Employee Severance Benefits Expense	(725,166)	(754,431)
Loss on Disposal of Tangible Capital Assets	0	(8,433)
Other	(119,105)	(38,480)
Revenues Not Available For Spending	4,488,564	4,923,039
Gain on Disposal of Tangible Assets	1,751	869
Refunds of Previous Year Expenditures	23,457	59,251
Adjustments of Previous Year's PAYE	45,731	18,327
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Variations: Add / (Less)		
Increase/(decrease) in Prepaid Expenses	(4,013)	12,087
Acquisition of Tangible Capital Assets	173,763	326,083
Current Year Appropriations Used	**$ 66,621,410**	**$ 59,649,562**

(b) Appropriations Provided and Used

	Appropriations Provided	
	2007	2006
Vote 30 – Operating expenditures	$ 60,977,360	$ 54,716,280
Statutory amounts	6,069,860	6,050,693
Less:		
Lapsed appropriations: Operating	(425,810)	(1,117,411)
Current year appropriations used	**$ 66,621,410**	**$ 59,649,562**

(c) Reconciliation of net cash provided by Government to current year appropriations used

	2007	2006
Net Cash provided by Government	$ 58,399,979	$ 54,079,110
Revenues not available for spending	4,490,315	4,923,906
Change in net position in the Consolidated Revenue Fund:		
Decrease in Accounts Receivable & Employee Advances	38,900	692,324
(Increase)/Decrease in Prepaid Expenses	9,392	(12,087)
Increase/(Decrease) in Accounts Payable & Accrued Liabilities	(1,039,968)	703,100
Increase/(Decrease) in Deposit Accounts	4,777,127	(781,960)
Other Adjustments	(54,335)	45,169
Sub-Total: Change in net position in the Consolidated Revenue Fund	3,731,116	646,546
Current Year Appropriations Used:	**$ 66,621,410**	**$ 59,649,562**

4. Accounts Receivable and Employee Advances

The following table presents details of accounts receivable and employee advances:

	2007	2006
Receivables from Other Government Departments	$ 3,731,226	$ 3,792,215
Receivables from External Parties	61,851	39,266
Employee Advances	9,781	9,872
Less: Allowance for Doubtful Accounts on External Receivables	(1,031)	(626)
Total	**$ 3,801,827**	**$ 3,840,727**

5. Tangible Capital Assets

	Cost			
	March 31, 2006	Acquisitions	Disposals	March 31, 2007
Machinery & Equipment	$ 656,088	$ 10,313	$ 0	$ 666,401
Informatics Hardware	1,411,091	150,151	0	1,561,242
Informatics Software	6,321	0	0	6,321
Furniture & Fixtures	762,948	13,299	0	776,247
Motor Vehicles	497,682	0	0	497,682
Total	**$ 3,334,130**	**$ 173,763**	**$ 0**	**$ 3,507,893**

	Accumulated Amortization			
	March 31, 2006	Amortization	Disposals	March 31, 2007
Machinery & Equipment	(390,060)	(56,785)	$ 0	(446,845)
Informatics Hardware	(1,156,811)	(107,765)	0	(1,264,576)
Informatics Software	(4,740)	(1,581)	0	(6,321)
Furniture & Fixtures	(433,419)	(55,479)	0	(488,898)
Motor Vehicles	(182,788)	(44,440)	0	(227,228)
Total	**(2,167,818)**	**(266,050)**	**$ 0**	**(2,433,868)**

	Net Book Value
	March 31, 2007
Machinery & Equipment	$ 219,556
Informatics Hardware	296,666
Informatics Software	-
Furniture & Fixtures	287,349
Motor Vehicles	270,454
Total	**$ 1,074,025**

Amortization expense for the year ended March 31, 2007 is $266,050 (2005-2006 was $255,666).

6. Accounts Payable & Accrued Liabilities

	2007	2006
Other Government Departments	$ 1,127,767	$ 1,014,799
External Parties:		
Employees	1,354,833	1,306,392
Others	1,649,801	2,851,178
Total Accounts Payable & Accrued Liabilities	**$ 4,132,401**	**$ 5,172,369**

7. Deposit Accounts

The Courts Administration Service maintains two deposit accounts on behalf of litigants before the Court. Pursuant to an order of the Court, the deposit accounts will record moneys paid into the Federal Court, Federal Court of Appeal and Tax Court of Canada. These amounts are held as payments and eventually released, pending judgment of the Courts. The underlying differences of these two accounts are the calculation of interest as described below.

Calculation of Interest:

Deposit Account for the Federal Court & Federal Court of Appeal: Pursuant to the Order in Council P.C. 1970-4/2, the account earns interest semi-annually at a rate that is equal to nine-tenths of the monthly average of tender rates or three-month Treasury bills and is calculated on the minimum monthly balance.

Deposit Account for the Tax Court of Canada: Pursuant to the Order in Council P.C. 1970-300, the account earns interest semi-annually at a rate that is equal to ninety percent of the average of the weekly three-month Treasury bills and is calculated on a daily basis.

	2007	2006
Balance, beginning of the year	$ 9,182,818	$ 9,964,778
Receipts and other credits	7,393,062	5,052,616
Disbursements and other charges	(2,615,935)	(5,834,576)
Balance, end of the year	**$ 13,959,945**	**$ 9,182,818**

8. Employee Benefits

(a) **Pension benefits:** The Courts Administration Service's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, multiplied by the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Courts Administration Service contribute to the cost of the Plan. The 2006-2007 expense amounts to $4,466,117 which represents approximately 2.2 times the contributions by employees ($4,477,513 in 2005-2006 at a rate of 2.6 times).

The Courts Administration Service's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) **Severance benefits:** The Courts Administration Service provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2007	2006
Accrued benefit obligation, beginning of year	$ 6,511,378	$ 5,756,947
Expense for the year	1,458,260	1,593,195
Benefits paid during the year	(733,094)	(838,764)
Accrued benefit obligation, end of year	**$ 7,236,544**	**$ 6,511,378**

9. Related party transactions

The Courts Administration Service is related as a result of common ownership to all Government of Canada departments, agencies and Crown Corporations. The Courts Administration Service enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Courts Administration Service received services which were obtained without charge from other Government departments as presented in part (a).

(a) Services Provided Without Charge – During the year the Courts Administration Service department received, without charge from other departments, accommodations, legal fees, workmen's compensation and the employer's contribution to the health and dental insurance plan. These services provided without charge have been recognized in the Courts Administration Service's Statement of Operations as follows:

	2007	2006
Accommodation provided by Public Works and Government Services Canada	$ 20,664,880	$ 16,698,488
Contributions covering employer's share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat	3,006,267	2,825,587
Worker's compensation coverage provided by Human Resources Canada	48,713	48,233
Salary and associated expenditures of legal services provided by the Department of Justice Canada	155,987	0
Total Services Provided Without Charge	**$ 23,875,847**	**$ 19,572,308**

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The cost of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in the Courts Administration Service's Statement of Operations.

(b) Internal Transactions - The Courts Administration Service has made internal transactions of $3,075,411 to other government departments in the year ending March 31, 2007 and $3,464,082 in the year ending March 31, 2006. Of this amount, the Employment Insurance Account Cost Recoveries account for $2,761,782 in 2006-2007 and $3,168,060 in 2005-2006 (Note 2(d)).

Table 9: Internal Audits and Evaluations

Response to Parliamentary Committees
Not applicable

Response to the Auditor General of Canada, including to the Commissioner of the Environment and Sustainable Development (CESD)
Not applicable

External Audits (Note: These refer to other external audits conducted by the Public Service Commission of Canada or the Office of the Commissioner of Official Languages.)
Not applicable

Internal Audits or Evaluations
Human Resources Management Audit 2003 to 2005 http://publiservice.tbs-sct.gc.ca/rma/database/newdeptview_e.asp?id=126

Table 10: Travel Policies

The Courts Administration Service follows and uses Treasury Board Secretariat's travel policies parameters.

Supplementary information on Travel Policies can be found at http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp.

SECTION IV - OTHER ITEMS OF INTEREST

Corporate Services

Corporate Services provides services such as finance, human resources, information technology, information management, telecommunications, facilities, translation, general administration and security to the Courts and to the Service itself.

Significant Financial Issues in 2006-2007

The Service was able to temporarily stabilize some of its program integrity funding for fiscal years 2006-07 and 2007-08; however, the Service has not been able to secure permanent funding for these critical policy issues. These expenditures relate to salaries and travel expenses of prothonotaries, new deputy judges' expenses, including their fees and travel expenses, and certain new key positions that were required as a result of the Service's merger.

The Service did receive separate funding for the completion of the Toronto Federal Judicial Centre (FJC), and this project was completed under budget. This type of financial arrangement and support is recommended for future projects. It should be noted that the Service realized sizable savings by recycling a significant amount of furniture and other materials. Consequently, the Service requested, and the Treasury Board Secretariat approved, use of those savings from the FJC to fit-up expansion space at Pink Road for greater archiving capacity for the Courts' records.

Human Resources / People Capacity

With the arrival of a new Learning Advisor in 2006-2007, a project to develop personal learning plans for all employees was delayed because of the implementation of the Required Training initiatives. This demanded a large portion of the Learning Advisor's time as it applied to supervisors, managers, and executives, functional specialists and first-time public servants.

In line with the *Public Service Modernization Act* (PSMA), the Human Resources Branch prepared a Treasury Board submission to obtain additional funding to continue to develop new staffing policies, guidelines, processes and tools to assist managers who will be receiving staffing sub-delegation. Additional resources are needed to assist managers to develop human resources plans in line with their business plans, to determine their current and future needs.

With respect to our succession planning initiative, we have identified immediate issues that we need to tackle such as competency profiles and rejuvenation of in-house developmental programs.

Records Management

Within the past year, information management/records management (IM/RM) division was combined with the IT division to create the IM/IT Branch. The

purpose of this strategic reorganization was to better manage information within the Service and to utilize technology as a tool.

An important undertaking in the records management section was to centralize all court document archives (dormant and semi-dormant records). All the records stored in two locations were combined and moved to a facility located in Aylmer, Quebec. This move made it possible to track all court documents more easily and accurately. This undertaking represented a move of close to 70,000 boxes of records plus 120 bins of exhibits which then had to be classified and indexed to simplify tracking. Some records dated as far back as the early 19th century.

To ensure efficiency, this initiative had to be supported by certain retention and disposal best practices that are now being put together and should ensure growth and sufficient storage space for 5-10 years.

We are in discussion with Library and Archives Canada to finalize a memorandum of understanding which would have them take over close to 2,000 boxes from the Exchequer Court. The purpose of this agreement is to provide for the transfer of that portion of the records of the Exchequer Court having archival and historical value to the custody and control of the National Archives of Canada in order that Canadian citizens may have convenient and continuous access to them. This transfer will allow for a complete and orderly disposal of all records of the Exchequer Court.

Following recommendations from the records management committee, a customized in-house list of procedures has and continues to be put together to guide employees in regard to the retention and disposal of administrative records. These standards are based on the Multi-Institutional Disposition Authority (MIDA) agreement and are customized for each business line in the organization.

Government On-Line

There have been more than 350 e-filings received for intellectual property cases. Based on this success, the Service will expand the e-filing solution to admiralty cases and immigration leave applications. The Service also implemented the required security to allow for e-filing system of certain income tax and GST certificates with the Federal Court. The Service is having ongoing discussions with the Canada Revenue Agency (CRA) about providing this service.

The Service also enhanced its website and continues to comply with Common Look and Feel and the Proactive Disclosures.

New workstations have been prepared to be deployed at the public counters across the country. New features such as viewing the hearing list, accessing the decision database and indexing information will be accessible to the public via these computers.

Strategic Integrated Management

This past fiscal year was marked by significant organizational change, with Regional Operations and Registry Services united under one branch. In addition, all corporate services activities were merged together. This new structure, consistent with our Program Activity Architecture, will allow for improved accountability and more efficient integrated resource planning.

After the review of our Program Activity Architecture, we began the initial work on the development of our Performance Management Framework to be completed in 2007-2008.

Security Services

The Service continues to maintain its commitment and efforts to improving the security of judges, prothonotaries, staff and members of the public using its facilities and to ensure the protection of assets and information.

Furthermore, in order to comply with the Government Security Policy, the Service is continuing with the implementation of electronic access control systems in its offices.

The Security Services Division in consultation with the various working groups continues to develop several policies and procedures relating to the protection of employees, assets and information.

The Service continues to develop its program aimed at heightening security awareness throughout the organization. Some of the activities this year included the production of a brochure entitled "Emergency Procedures and Safeguards" as well as several activities during Security Awareness Week.

The Service developed its Business Continuity Planning (BCP) Program to ensure the continued availability of essential services, programs and operations, in the event of interruptions caused by unforeseen events such as extended power failures, severe weather conditions, etc. The Program includes a BCP Policy, Business Impact Analysis which identifies our critical services and establishes priorities, BCP Plans for each sector and region, and a Pandemic Annex for the organization. Testing and validation of the Plans will start with a Tabletop Exercise which is planned for early in 2007-08 and will be updated on a regular basis.

Facilities Management

The accommodation space optimization projects review continues to focus on all facilities. The Toronto Federal Judicial Centre Project was part of that program and is now completed. The drafting of Judicial/Quasi-judicial Fit-up Standards has been undertaken, including a review of court standards, which is still at the development stage.

Offices of the Courts Administration Service

NATIONAL CAPITAL REGION OFFICES

Courts Administration Service
PRINCIPAL OFFICE — OTTAWA
434 Queen Street
Ottawa, Ontario
K1A 0H9
http://www.cas-satj.gc.ca

Lorne Building **90 Elgin Street** **Ottawa, Ontario K1A 0H9** **Registry of the Federal Court of Appeal and the Court Martial Appeal Court of Canada** Telephone: (613) 996-6795 Facsimile: (613) 952-7226 **Registry of the Federal Court** Telephone: (613) 992-4238 (613) 995-9177 (Immigration) Facsimile: (613) 952-3653	**Centennial Towers** **200 Kent Street** **Ottawa, Ontario K1A 0H9** **Registry of the Tax Court of Canada** Telephone: (613) 992-0901 or 1-800-927-5499 Facsimile: (613) 957-9034 TTY: (613) 943-0946 Tax Court of Canada, courtroom and judges' chambers
Thomas D'Arcy McGee Building **90 Sparks Street** **Ottawa, Ontario K1A 0H9** Federal Court of Appeal, Federal Court and Court Martial Appeal Court of Canada, courtrooms and judges' chambers	**434 Queen Street** **Ottawa, Ontario K1A 0H9** **Corporate Services for the Courts Administration Service** Telephone: (613) 996-4778 Facsimile: (613) 941-6197

LOCAL OFFICES

FCA - Federal Court of Appeal
FC - Federal Court
CMAC - Court Martial Appeal Court of Canada
TCC - Tax Court of Canada

ALBERTA — Calgary
3rd Floor, 635 Eight Avenue S.W.,
P.O. Box 14 T2P 3M3

Telephone:	FCA/CMAC	(403) 292-5555
	FC	(403) 292-5920
	TCC	(403) 292-5556
Facsimile:		(403) 292-5329
TTY:		(403) 292-5879

ALBERTA — Edmonton
Scotia Place, Tower 1, Suite 530,
P.O. Box 51
10060 Jasper Avenue T5J 3R8

Telephone:	FCA/CMAC	(780) 495-2502
	FC	(780) 495-4651
	TCC	(780) 495-2513
Facsimile:		(780) 495-4681
TTY:		(780) 495-2428

BRITISH COLUMBIA — Vancouver
Pacific Centre, P.O. Box 10065
701 West Georgia Street V7Y 1B6

Telephone:	FCA/CMAC	(604) 666-2055
	FC	(604) 666-3232
Facsimile:		(604) 666-8181
TTY:		(604) 666-9228
	TCC	(604) 666-7987
Facsimile:		(604) 666-7967

MANITOBA — Winnipeg
4th Floor, 363 Broadway Street R3C 3N9

Telephone:	FCA/CMAC	(204) 983-2232
	FC	(204) 983-2509
	TCC	(204) 983-1785
Facsimile:		(204) 983-7636
TTY:		(204) 984-4440

NEW BRUNSWICK — Fredericton
Suite 100, 82 Westmorland Street E3B 3L3

Telephone:	FCA/CMAC	(506) 452-2036
	FC	(506) 452-3016
	TCC	(506) 452-2424
Facsimile:		(506) 452-3584
TTY:		(506) 452-3036

NOVA SCOTIA — Halifax
Suite 1720, 1801 Hollis Street B3J 3N4

Telephone:	FCA/CMAC	(902) 426-5326
	FC	(902) 426-3282
	TCC	(902) 426-5372
Facsimile:		(902) 426-5514
TTY:		(902) 426-9776

ONTARIO — Toronto
1 — Registry of the Federal Court of Appeal, the Federal Court, the Court Martial Appeal Court of Canada and the Tax Court of Canada
180 Queen Street West, Suite 200 M5V 3L6

Telephone:	FCA	(416) 952-8006
Facsimile:	FCA	(416) 973-2154
Telephone:	FC	(416) 973-3356
Facsimile:	FC	(416) 954-5068
Telephone:	CMAC	(416) 954-9823
Facsimile:	CMAC	(416) 973-2154
TTY:		(416) 954-4245
Telephone:	TCC	(416) 973-9181
	TCC	1-800-927-5499
Facsimile:	TCC	(416) 973-5944

2 — Registry of the Tax Court of Canada (London)
3rd Floor, 231 Dundas Street N6A 1H1

Telephone:	(519) 645-4203
	1-800-927-5499
Facsimile:	(519) 675-3391

QUEBEC — Montréal
Registry of the Federal Court of Appeal, the Federal Court, the Court Martial Appeal Court of Canada and the Tax Court of Canada

30 McGill Street H2Y 3Z7

Telephone:	FCA/CMAC	(514) 283-5200
	FC	(514) 283-4820
	TCC	(514) 283-9912
	or	1-800-927-5499
Facsimile:	FCA/CMAC/FC	514) 283-6004
	TCC	(514) 496-1996
TTY:	FCA/CMAC/FC	(514) 283-3017

QUEBEC — Québec
Palais de Justice, Room 500A
300 Jean Lesage Blvd. G1K 8K6

Telephone:	FCA/CMAC	(418) 648-4964
	FC	(418) 648-4920
	TCC	(418) 648-7324
Facsimile:		(418) 648-4051
TTY:		(418) 648-4644

OFFICES STAFFED BY PROVINCIAL AND/OR TERRITORIAL COURT EMPLOYEES

NEW BRUNSWICK — Saint John
Room 413, 110 Charlotte Street E2L 2J4
Telephone: (506) 636-4990
Facsimile: (506) 658-3070

NEWFOUNDLAND — St. John's
The Court House, P.O. Box 937,
Duckworth Street A1C 5M3
Telephone: (709) 772-2884
Facsimile: (709) 772-6351

NORTHWEST TERRITORIES — Yellowknife
The Court House, P.O. Box 1320
4905, 49th Street X1A 2L9
Telephone: (867) 873-2044
Facsimile: (867) 873-0291

NUNAVUT— Iqaluit
Nunavut Court of Justice
Justice Building (Building # 510)
P.O. Box 297 X0A 0H0
Telephone: (867) 975-6100
Facsimile: (867) 975-6550

PRINCE EDWARD ISLAND — Charlottetown
Sir Henry Louis Davies Law Courts
P.O. Box 2000, 42 Water Street C1A 8B9
Telephone: (902) 368-0179
Facsimile: (902) 368-0266

SASKATCHEWAN — Saskatoon
The Court House
520 Spadina Crescent East S7K 2H6
Telephone: (306) 975-4509
Facsimile: (306) 975-4818

SASKATCHEWAN — Regina
The Court House
2425 Victoria Avenue S4P 3V7
Telephone: (306) 780-5268
Facsimile: (306) 787-7217

YUKON TERRITORY — Whitehorse
Andrew A. Phillipsen Law Centre
2134 Second Avenue Y1A 5H6
P.O. Box 2703, Y1A 2C6
Telephone: (867) 667-5441
Facsimile: (867) 393-6212